

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902M) for Authority to Implement the Customer Information System Replacement Program.

Application 17-04-027

**DECISION GRANTING INTERVENOR COMPENSATION TO
THE UTILITY CONSUMERS' ACTION NETWORK
FOR CONTRIBUTION TO DECISION 18-08-008**

Intervenor: Utility Consumers' Action Network	For contribution to Decision D.18-08-008
Claimed: \$73,558.67	Awarded: \$73,558.67
Assigned Commissioner: Liane M. Randolph	Assigned ALJ: Rafael L. Lirag

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	The Decision grants San Diego Gas & Electric's (SDG&E) Application to implement its new Customer Information Replacement Program. The Decision also approves the Settlement Agreement between SDG&E and all active parties that reduced the overall costs of the project from \$253.6 million to \$245.89 million.
--	--

B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	July 17, 2017	July 17, 2017
2. Other specified date for NOI:	N/A	N/A
3. Date NOI filed:	August 16, 2017	August 16, 2017
4. Was the NOI timely filed?		Yes
Showing of eligible customer status (§ 1802(b) or eligible local government entity status (§§ 1802(d), 1802.4):		
5. Based on ALJ ruling issued in proceeding number:	A.17-01-012	A.17-01-012
6. Date of ALJ ruling:	April 24, 2018	April 24, 2017 ¹
7. Based on another CPUC determination (specify):	N/A	N/A
8. Has the Intervenor demonstrated customer status or eligible government entity status?		Yes
Showing of “significant financial hardship” (§1802(h) or §1803.1(b))		
9. Based on ALJ ruling issued in proceeding number:	A.17-01-012	A.17-01-012
10. Date of ALJ ruling:	April 24, 2017	April 24, 2017
11. Based on another CPUC determination (specify):		N/A
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.18-08-008	D.18-08-008
14. Date of issuance of Final Order or Decision:	August 10, 2018	August 10, 2018
15. File date of compensation request:	October 5, 2018	October 5, 2018
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION**A. Did the Intervenor substantially contribute to the final decision (see § 1802(j), § 1803(a), 1803.1(a) and D.98-04-059).**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>UCAN Participation</p> <p>San Diego Gas & Electric Company ("SDG&E") filed Application ("A") 17-04-027 on April 28, 2017, seeking Commission authorization to implement its proposed Customer Information System ("CIS") Replacement Program. SDG&E described the current system as a "twenty-year-old software and hardware system that supports SDG&E's critical business processes and customer engagement functions..." SDG&E requested \$253.6 in ratepayer funding to replace the "outdated" system with a modernized platform that would bring increased functionality for customer billing, regulatory requirements and improved customer service experience.</p> <p>UCAN protested the Application noting the "cost for SDG&E's proposed CIS system is significantly more expensive, on a per meter basis, than the recent CIS proposal put forward by Southern California Edison (SCE)." This was problematic because, as noted by UCAN's expert, "one of the major</p>	<p>A.17-04-027 at p. 1</p> <p>UCAN Protest at p. 3</p>	<p>Verified.</p>

<p>drivers of CIS cost...is the number of meters on a utility's system."</p> <p>After significant discovery and analysis of the proposed project costs, UCAN, along with other intervenors, submitted testimony urging the Commission to find that SDG&E's proposed costs for the project were excessive. UCAN recommended in testimony that the Commission should direct SDG&E to either make a revised showing of reasonableness in its project costs and benefits or permit SDG&E to record costs in a memorandum account and then do an after-the-fact reasonableness review. More specifically, UCAN argued for a one-way balancing account rather than a two way, urged the Commission to not authorize SDG&E's O&M related contingency allowance request, and recommended that costs forecasts for internal labor for the CIS project be removed due to duplication of funding (see further explanation below.)</p> <p>After evidentiary hearings, parties entered into six weeks of settlement negotiations to analyze the proposal and work with SDG&E to make changes to its proposal. The active parties reached a settlement that reduced the requested implementation cost by \$7.71 million and resolved all issues among the settling parties. The</p>	<p>Testimony (Jones) at pp. 24:3 – 25:7</p> <p>Testimony (Jones) at pp. 25:9 – 26:1 and 26:21-27</p>	
---	--	--

<p>contingency for the CIS Replacement Program would be \$29.6 million, \$6.1 million less than SDG&E's original request. This reduction in overall contingency addresses the elimination of O&M contingency amounts as recommended by UCAN.</p>	<p>Attachment A (Settlement Agreement), Section 2.6 (pp. 7-8)</p>	
<p>Settlement Outcomes on Costs Specifically: Reduction in Pre-2019 O&M Forecast</p> <p>UCAN's testimony questioned other costs related to the O&M forecast. Specifically, UCAN noted that in its application SDG&E "states that internal labor will be obtained from existing SDG&E staff that will be reassigned." The provision for incremental revenue for staff in the CIS application would double count staff that was reassigned because SDG&E presumably was provided funds for such staff in the 2016 GRC. Therefore, UCAN argued that these cost forecasts should be removed in this proceeding.</p> <p>Final Decision noted that, "Under the terms of the Settlement Agreement, the settling parties agree to reduce SDG&E's pre-2019 O&M forecast by \$0.571 million. This compromise addresses issues raised by ORA and UCAN regarding this topic. During evidentiary hearings,</p>	<p>Testimony (Jones) at pp. 25:9 – 26:1 and 26:21-27</p> <p>D.18-08-008, p. 12</p>	<p>Verified</p>

<p>Adoption of the Settlement Agreement and UCAN participation</p> <p>The Final Decision acknowledged UCAN’s substantial contribution to the record, which in turn supports the Settlement Agreement and ensures that the all-party settlement is in the public interest. The Final Decision stated, “All of the settling parties submitted extensive testimony containing analyses and recommendations concerning the application. After review of the above, as well as the various briefs and pleadings filed by the parties, and after going through evidentiary hearings, we are able to conclude that the parties to the Settlement Agreement have demonstrated a thorough understanding of the Application. ORA, TURN, and UCAN are also parties to SDG&E’s current GRC application and have a thorough understanding of how the CIS Replacement Project will impact SDG&E’s revenue requirement in the current and future GRCs.”</p>	<p>D.18-08-008, p. 13</p>	<p>Verified</p>
---	---------------------------	-----------------

B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Public Advocate's Office of the California Public Utilities Commission a party to the proceeding? ¹	Yes	Yes
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Yes
c. If so, provide name of other parties: The Utility Reform Network (TURN) was also an active party in the proceeding.		Verified
d. Intervenor's claim of non-duplication: UCAN worked closely with TURN and ORA to avoid duplication throughout this proceeding where the Intervenor's positions were similar. In the early stages of the proceeding, UCAN participated in discussions with TURN and ORA to develop scheduling options and potential joint positions. UCAN consulted with TURN so that each party would focus on different subsets of issues in the prepared testimony. For example, UCAN focused on a reduction in project contingency costs and the pre-2019 O&M forecast. TURN focused on SDG&E's request to recover all recorded costs even if the recorded amount exceeded the forecasted amount. TURN also raised concerns regarding the accounting treatment of cloud-based software costs. ORA raised concerns about the Customer Information System Balancing Account (CISBA) and the two-way balancing account to record transition, stabilization, and OCM costs (TSOBA). All of these issues were addressed in the final Settlement Agreement. The intervenors worked together to strategize ways to avoid duplication of efforts and conserve resources so that our advocacy efforts would be more efficient. UCAN urges the Commission to find that any duplication of efforts was minor and therefore reasonable.		Verified

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§ 1801 and § 1806):**

a. Intervenor's claim of cost reasonableness: UCAN's request for intervenor compensation seeks an award of \$73,558.67 as the reasonable cost of our participation in this proceeding. UCAN urges the Commission to find these costs reasonable in light of its substantial contribution that resulted in a reduction of the overall costs of	CPUC Discussion Noted
---	-------------------------------------

¹ The Office of Ratepayer Advocates (ORA) was renamed effective June 27, 2018, pursuant to Senate Bill 854.

<p>the project. For example, UCAN's advocacy through detailed testimony, cross examination and participation in settlement on the issues of excessive project contingency costs and pre-2019 O&M forecast, resulted in the costs of the CIS Replacement Program being reduced by \$6.671 million. The issues that UCAN addressed in the settlement discussions and that were ultimately incorporated in the Settlement Agreement benefit SDG&E customers by reducing the costs of the program paid for by SDG&E customers while still allowing SDG&E to move forward with this important service improvement. This benefit to ratepayers is far in excess of the cost of UCAN's participation.</p> <p>For reasons stated above, UCAN urges the Commission to find the costs of UCAN's participation reasonable in light of all the related benefits to ratepayers.</p>	
<p>b. Reasonableness of hours claimed: UCAN is claiming total hours of 121.75 attorney time and 153.71 hours of expert witness time. UCAN believes that 275.46 hours of substantive work is reasonable due to the time associated with reviewing and analyzing SDG&E's Application and cost proposal, drafting data requests, preparing testimony, preparing for and actively participating in evidentiary hearings, and actively participating in all-party discussions. UCAN is also claiming 15 hours of time for Paralegal and Ratepayer Advocate work with majority of that time spent preparing the intervenor compensation claim.</p> <p>Don Kelly was UCAN's lead attorney on this case. Mr. Kelly coordinated efforts with UCAN's expert consultant to review the initial application and draft and distribute multiple sets of data requests to SDG&E. Mr. Kelly also coordinated efforts with other intervenors (TURN and ORA) to avoid duplication and focus efforts on different issues. Mr. Kelly participated in the two days of hearings and conducted cross-examination of SDG&E witnesses regarding contingency costs as well as the pre-2019 O&M forecast, issues that UCAN identified as critical to lowering costs of the project. The final Settlement Agreement included UCAN's major issues regarding contingency costs as well as the pre-2019 O&M forecast.</p> <p>Mr. Jones was UCAN's expert consultant throughout this proceeding. He provided technical analysis of the Application. Mr. Jones also dedicated significant hours to analysis and development of UCAN's multiple data requests to SDG&E to inform his testimony and the record of the proceeding. Mr. Jones also worked with Mr. Kelly to respond to significant data requests from SDG&E regarding his testimony. UCAN contributed to the record through Mr. Jones' work including data requests, analysis, and recommendations. UCAN relied on Mr. Jones' knowledge and experience to inform the issues and develop recommendations. UCAN</p>	Noted

avoided duplication of effort between Mr. Jones and Mr. Kelly where possible, including limited participation by Mr. Jones in the settlement process and attending the hearings. The final Settlement Agreement included UCAN's major issues as submitted by Mr. Jones' testimony regarding contingency costs as well as the pre-2019 O&M forecast. While UCAN served its testimony on all parties, UCAN did not subsequently enter Mr. Jones testimony into the record. Therefore, UCAN has reduced the number of hours claimed for data request and testimony work by 25% (204.71 hrs. minus 52 hours = 152.71 hrs. claimed). UCAN's timesheet still reflects the total amount of hours worked.

UCAN's participation through pleadings, data requests, testimony and evidentiary hearings, helped parties have a thorough understanding of critical issues in the Application. UCAN's participation contributed to a thorough understanding of SDG&E's CIS Replacement Project and how it will impact SDG&E's revenue requirement. UCAN's participation ultimately resulted in a Settlement Agreement that reflected the fact that all parties were fully informed regarding the critical issues that impacted San Diego ratepayers. UCAN believes the total amount of hours requested for reimbursement is reasonable given the value added to this proceeding from UCAN's work.

c. Allocation of hours by issue:

Total Hours	% of Hours per Issue	
13.12	4.25%	1. General Prep (GP)
3.78	1.23%	2. Hearings, Workshops, and Conferences (HWC)
11.22	3.64%	3. Filings (F)
112.78	36.56%	4. Discovery (D)
84.36	27.35%	5. Testimony (T)
8.14	2.64%	6. Coordination (C)
51.21	16.60%	7. Evidentiary Hearings (EH)
23.85	7.73%	8. Settlement (S)
308.46	100%	Subtotal Issues
256.46	75%	Subtotal after deduction of Garrick Jones' hours by 25%

Verified

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Donald Kelly	2017	94	\$365	D.18-06-024	\$34,310.00	94	\$365	\$34,310.00
Donald Kelly	2018	7.25	\$375	D.18-06-024	\$2,718.75	7.25	\$375	\$2718.75
Garrick Jones	2017	152.71	\$200	See Comment 1	\$30,542.00	152.71	\$200	\$30,542.00
Courtney Cook	2017	2.5	\$155	D.18-06-024	\$387.50	2.5	\$155	\$387.50
Subtotal: \$ 67,958.25						Subtotal: \$67,958.25		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Donald Kelly	2017	19.5	\$182.50	D.18-06-024	\$3,558.75	19.5	\$182.5	\$3,558.75
Subtotal: \$3,558.75						Subtotal: \$3,558.75		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Donald Kelly	2017	1	\$182.50	D.18-06-024	\$182.50	1	\$182.5	\$182.50
Jane Krikorian	2018	9.5	\$77.5	D.18-06-024	\$736.25	9.5	\$77.50	\$736.25
Garrick Jones	2018	1	\$100	See Comment 1	\$100.00	1	\$100	\$100.00
Courtney Cook	2018	3	\$80	D.18-06-024	\$240.00	3	\$80	\$240.00
Subtotal: \$1,258.75						Subtotal: \$1,258.75		

COSTS				
#	Item	Detail	Amount	Amount
	Travel	Airfare, Uber, car rental, copies	\$782.92	\$782.92
TOTAL REQUEST: \$73,558.67				TOTAL AWARD: \$73,558.67 ²
<p>*We remind all intervenors that Commission staff may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§1804(d)). Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer’s normal hourly rate</p>				
ATTORNEY INFORMATION				
Attorney		Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Donald Kelly		December 5, 1990	151095	no

C. Attachments Documenting Specific Claim and Comments on Part III

Attachment or Comment #	Description/Comment
1	Certificate of Service
2	UCAN's Timesheet
3	UCAN's Receipt Log and Receipts
Comment #1	<p>Rate Increase for Garrick Jones</p> <p>UCAN requests an hour rate increase for Garrick Jones to \$200 for his work done in 2017. Mr. Jones is the President of InfraSMART Energy, LLC. The Commission has previously adopted an hourly rate for Mr. Jones while he was employed at JBS Energy Inc. The most recent rate adopted by the Commission was \$190 for work done in 2016 while he was employed by JBS Energy, Inc. Mr. Jones opened his own consulting firm in December 2016. TURN has also requested this rate increase for Mr. Jones in A. 17-01-020.</p> <p>Mr. Jones has 12 years of experience as an economist. He specializes in analyzing</p>

² This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

	<p>utility economics, financial and operational issues. His 12 years of experience puts him right at the top of the 7-12 year tier. In the adopted Resolution ALJ-345, an expert with 7-12 years of experience tier has a rate of \$177-\$295. The rate \$200 UCAN is requesting for Mr. Jones is on the lower end of the rate scale for an expert with 7-12 years of experience.</p> <p>UCAN recognizes with just applying the COLA increase of 2.14% to the rate of \$190 established in 2016, while Mr. Jones was still employed by JBS Energy, Inc., Mr. Jones' rate would be set at \$195. Now that Mr. Jones is the President of InfraSMART Energy, LLC, his own consulting firm, he has taken on more responsibility and costs and has billed UCAN at \$200 an hour for work he has completed for us. With the change in circumstances for Mr. Jones and the fact that his billing rate is still on the lower end of the \$177-\$295 rate scale, UCAN requests that Mr. Jones' rate be increased to \$200 an hour.</p>
--	---

D. CPUC Disallowances and Adjustments:

Item	Reason
1	The date of the ALJ ruling was incorrect.

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (*see* § 1804(c))

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c) (6))?	Yes

FINDINGS OF FACT

1. The Utility Consumers' Action Network has made a substantial contribution to D.18-08-008.
2. The requested hourly rates for The Utility Consumers' Action Network representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$73,558.67.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. The Utility Consumers' Action Network is awarded \$73,558.67.
2. Within 30 days of the effective date of this decision, San Diego Gas and Electric Company shall pay Utility Consumers' Action Network the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning August 12, 2017, the 75th day after the filing of Intervenor's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, at Los Angeles, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1808008		
Proceeding(s):	A1704127		
Author:	ALJ Lirag		
Payer(s):	San Diego Gas and Electric Company		

Intervenor Information

Intervenor	Date Claim Filed	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	10/05/2018	\$73,448.67	\$73,484.67	N/A	Arithmetic errors D.18-01-021, D.17-01-024

Hourly Fee Information

First Name	Last Name	Attorney, Expert, or Advocate	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Donald	Kelly	Attorney	\$365	2017	\$365
Donald	Kelly	Attorney	\$375	2018	\$375
Donald	Kelly	Attorney	\$182	2017	\$182
Garrick	Jones	Expert	\$200	2017	\$200
Garrick	Jones	Expert	\$100	2018	\$100
Courtney	Cook	Expert	\$155	2017	\$155
Jane	Krikorian	Expert	\$736	2018	\$736

(END OF APPENDIX)